

# **Exhibit 3**

## FINANCIAL TIMES

***Be first to use FT.com's new prototype site. Opt in here (you can opt out at any time).***

April 15, 2012 10:04 pm

## Spotlight falls on Cobalt's Angola partner

By Tom Burgis and Cynthia O'Murchu in London

[Share](#) [Author alerts](#) [Print](#) [Clip](#) [Gift Article](#)

In July 2008 Cobalt International Energy was closing in on rights to drill for oil deep under a stretch of Angolan seabed that is regarded as one of the world's richest untapped reservoirs of crude.

For Cobalt the negotiations offered an entrance to Africa's second-biggest oil industry. Tens of billions of dollars of investment from [Chevron](#) and [ExxonMobil](#) of the US, France's [Total](#), the UK's [BP](#) and others have turned the war-scarred southern African nation into the second-largest supplier to China and the eighth-biggest to the US.



According to the company's regulatory filings, the government stipulated that it would have to take an obscure local company, Nazaki Oil & Gáz, as a partner. Today the question of who owns Nazaki looms large over the fate of the Houston-based group, which is part-owned by [Goldman Sachs](#), the US investment bank, and [Riverstone](#), the US private equity group.

Three of the most powerful figures in the Angolan regime have held interests in Nazaki, the Financial Times has found. One of them, Manuel Vicente, headed Sonangol for 12 years until his appointment as minister of state for economic co-ordination in January. The state-owned company oversees the 1.7m-barrel a day oil industry.

Sonangol, which has minority interests in Cobalt's projects and those of other foreign energy groups, did not respond to requests for comment.

Having masterminded the expansion of Sonangol into one of Africa's richest companies, Mr Vicente is seen as a potential successor to José Eduardo Dos Santos, Angola's president since 1979.

Mr Vicente and Manuel Hélder Vieira Dias Júnior, head of the military bureau in the presidency and known as General Kopelipa, confirmed to the FT last week that they had held shares in

Nazaki. They said Leopoldino Fragoso do Nascimento, known as General Dino, a former head of communications in the presidency, held shares too. He did not respond to requests for comment.

Officials' interests in Cobalt's local partner could raise questions about compliance with US anti-corruption laws, which make it a crime to pay or offer anything of value to foreign officials to win business.

Most Angolans live in poverty but analysts have highlighted private fortunes made by the country's political elite, which forms an authoritarian regime that Paula Roque, an authority on Angola at Oxford university, calls a "shadow government controlled and manipulated by the presidency, with Sonangol as its chief economic motor".

Asked by the FT whether the three men had interests in Nazaki, Cobalt said it had looked into such claims and "not found any credible support" for them. The company was unaware of any official's interest in Nazaki, it said. "Cobalt has a robust anti-corruption compliance programme that includes processes for conducting due diligence on its partners."

The New York-listed group said it had retained two US law firms, Vinson & Elkins and O'Melveny & Myers, since 2007 to advise on complying with anti-corruption laws with respect to its Angolan ventures. Both law firms have previously declined to comment.

Mr Vicente and Gen Kopelipa denied that their interests in Nazaki constituted an "abuse of power" or wrongdoing. Cobalt said Nazaki was "a fully paying member of the contractor group", unlike the other partners in the venture, a little-known Angolan company called Alper Oil and Sonangol, which do not contribute to development costs.

Cobalt and the officials said Nazaki had paid its share of a \$10m "signature bonus" to Sonangol. Like Cobalt, the local group would earn revenues once the venture went into production.

In a regulatory filing a year ago Cobalt said it had been made aware of allegations of "a connection between senior Angolan government officials and Nazaki". In November the US Securities and Exchange Commission and Department of Justice launched an investigation, with which Cobalt said it was co-operating. Both US agencies declined to comment.

Cobalt's Angolan venture has paid off spectacularly. Led by Joseph Bryant, ex-head of BP's Angola operations, the company has built a portfolio that includes prospects in the Gulf of Mexico. But it was February's drilling results from Angola that grabbed the attention of the oil world. Mr Bryant called the find, which drew comparisons with prodigious discoveries off Brazil's coast, an "extraordinary success". Cobalt's shares jumped 38 per cent on the day of the news and its market capitalisation is \$11.1bn.

Cobalt was founded in 2005 with an initial \$500m investment by Goldman Sachs and Riverstone, which lists former BP boss Lord Browne as a partner. They retain holdings of 18 per cent and 15

per cent respectively and two seats each on the board. Both declined to comment.

With crude prices well above \$100 a barrel, African oil producers have witnessed a surge of interest from energy groups.

Campaigners and graft investigators warn that African “local content” policies have added to the potential for corruption. Diarmid O’Sullivan of Global Witness, a London-based anti-graft group, said: “The risk is that local content policies, which are meant to spread the economic benefits of natural resources more widely, could be abused to channel assets into the hands of the same cliques of corrupt officials whose misrule is holding back their own countries.”

Mr Vicente and Gen Kopelipa said they and Gen Dino held their interests in Nazaki through Aquattro Internacional. The three men’s names do not appear among the five shareholders in Nazaki listed in two company registration documents obtained by the FT, dating from 2007 and 2010. Aquattro’s does, although a 2007 listing for Aquattro itself in the official gazette does not name its shareholders.

The officials said Aquattro had been “recently dissolved”. They did not say whether they had disposed of their interests in Nazaki.

In January Rafael Marques de Morais, an Angolan anti-corruption activist, published a complaint to the attorney-general alleging corruption in the Nazaki case – claims that Mr Vicente, Gen Kopelipa and Cobalt said were inaccurate.

Mr de Morais said the officials “ought to be investigated for evidence of having committed crimes of illicit enrichment”. Mr Vicente and Gen Kopelipa said they did not hold any executive role in Nazaki and that their holdings broke no Angolan laws.

The FT found a further connection between Nazaki and the three officials through José Domingos Manuel, who is named in a company document as Nazaki’s manager. Mr Manuel is also among the seven shareholders named in an April 2008 corporate gazette announcement for Sociedade de Hidrocarbonetos de Angola, a small Angolan oil company, alongside Mr Vicente, Gen Kopelipa and Gen Dino. Described by a person close to the regime as a former intelligence agent, Mr Manuel could not be reached for comment. SHA did not respond to a request for comment.

## RELATED TOPICS

United States of America, Oil, Private equity, Goldman Sachs Group Inc

 Share  Author alerts  Print  Clip  Gift Article

**Printed from:** <http://www.ft.com/cms/s/0/1225e3de-854d-11e1-a394-00144feab49a.html>

Print a single copy of this article for personal use. Contact us if you wish to print more to distribute to others.

© THE FINANCIAL TIMES LTD 2015 FT and 'Financial Times' are trademarks of The Financial Times Ltd.